



201804240064

Skagit County Auditor

\$82.00

4/24/2018 Page

1 of

8 3:31PM

RETURN ADDRESS:

Brian L. Lewis
Ryan, Swanson & Cleveland, PLLC
1201 Third Avenue, Suite 3400
Seattle, WA 98101-3034

POOR ORIGINAL

GUARDIAN NORTHWEST TITLE CO.

A115750

DEED OF TRUST

GRANTOR(S): SEAFARER'S, LLP
GRANTEE(S): DUANE CLARK
ADDITIONAL ON PAGE 1: FIRST AMERICAN TITLE INSURANCE COMPANY
ABBREVIATED LEGAL DESCRIPTION: SECTION 19, TOWNSHIP 35 NORTH, RANGE 2 EAST; PTN.,
GOV'T LOTS 1 AND 2 (AKA LOT 2D OF BLA SURVEY
200306060196)
(SEE PAGE 8 FOR FULL LEGAL DESCRIPTION)
ASSESSOR'S TAX PARCEL NO(S): P118627, 350219-0-040-0300

THIS DEED OF TRUST (this "*Deed of Trust*") is made this 23rd day of April, 2018, by SEAFARER'S, LLP, a Washington limited liability partnership ("*Grantor*"), whose address is 916E 34th Street, Anacortes, WA 98221; FIRST AMERICAN TITLE INSURANCE COMPANY ("*Trustee*"), whose address is c/o Guardian Northwest Title Company, 3202 Commercial Avenue, Anacortes, WA 98221; and DUANE CLARK, an individual ("*Beneficiary*"), whose address is P.O. Box 439, Anacortes, WA 98221.

WITNESSETH:

Grantor hereby grants, transfers, bargains, sells, conveys and assigns to Trustee in trust, with power of sale, the following described real property in Skagit County, Washington:

See Exhibit A attached hereto and incorporated herein by this reference (the "*Property*"),

- 1 -

which Property is not used principally or primarily for agricultural or farming purposes, together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof.

This Deed of Trust is for the purpose of securing the following (collectively, the "**Secured Obligations**"): (i) all of Grantor's obligations under that Certain Promissory Note in the face amount of One Million Fifty Thousand and No/100 Dollars (\$1,050,000.00), with interest, in accordance with the terms thereof (the "**Note**"), payable to Beneficiary or order, and made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon; (ii) the payment by Grantor of any other sums which are or which may become owing under the Loan Documents (defined below), and the performance by Grantor of each agreement, covenant and obligation of Grantor under the Loan Documents, except the Environmental Indemnity and the Guaranty. The Guaranty and the Environmental Indemnity are not secured by this Deed of Trust.

For purposes of this Deed of Trust, the term "**Loan Documents**" means all documents evidencing or relating to the Loan (defined below) including, without limitation, the following: the Note; this Deed of Trust; the Loan Agreement, dated of even date herewith and entered into between Grantor, as borrower, and Beneficiary, as lender (as the same may be modified, amended, supplemented and extended from time to time, the "**Loan Agreement**"); the Guaranty Agreement (the "**Guaranty**") executed by Ronald Woolworth and Lisa Strandberg, jointly and severally (the "**Guarantors**"); the Environmental Indemnity Agreement regarding the Property, executed by Grantor and Guarantors (the "**Environmental Indemnity**"); and the Memorandum of Purchase Right regarding the Property, executed by Grantor and Beneficiary ("**Memorandum of Purchase Right**"). The "**Loan**" means and refers to the loan in the original principal amount of \$1,050,000.00 from Beneficiary, as lender, to Grantor, as borrower, evidenced by the Note.

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. To keep the Property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property.

2. To pay before delinquent all lawful taxes and assessments upon the Property, and to keep the Property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.

3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorneys' fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the Secured Obligations hereby and Trustee's and attorneys' fees actually incurred, as provided by statute.

6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the Property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

3. The Trustee shall reconvey all or any part of the Property covered by this Deed of Trust to the person entitled thereto on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.

4. Upon default by Grantor in any of the Secured Obligations, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.

5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the Property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter, Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchaser and encumbrancers for value.

6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

7. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint, in writing, a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

8. This Deed of Trust applies to, inures to the benefit of and is binding not only on the parties hereto but on their heirs, devisees, legatees, administrators, executors and assigns. The term "**Beneficiary**" shall mean the holder and owner of the Note secured hereby, whether or not named as Beneficiary herein.

9. Notwithstanding anything to the contrary contained herein, Grantor shall not sell, transfer or convey all or any part of its interest in the Property or any portion thereof (a "**Transfer**") without the prior written consent of Beneficiary. Grantor agrees that upon a

Transfer, Grantor shall be in default under this Deed of Trust and all sums secured by this Deed of Trust shall become immediately due and payable at the option of Beneficiary. In addition, any Transfer pursuant to an existing option to purchase or right of first refusal, shall be deemed to be in violation of this provision and entitle Beneficiary to the exercise of its remedies as provided herein. For purposes hereof, a Transfer shall include, without limitation, (a) any voluntary or involuntary disposition (by operation of law or otherwise) of legal or beneficial title to any portion or all of the Property by whatever means, (b) any voluntary or involuntary disposition (by operation of law or otherwise) of legal or beneficial title to controlling interests in Grantor, and (c) any change in partners or members or shareholders or any arrangement by which Grantor (and/or owners of at least fifty percent (50%) of the equity of Grantor as of the date hereof) divests itself of the degree of control it currently exercises or may exercise over the decisions affecting the ownership and operation of the Property.

10. Grantor has not and will not, without the prior written consent of Beneficiary, mortgage or pledge the Property or any part thereof as security for any other loans or indebtedness of Grantor or any other party. If any such mortgage or pledge is entered into without the prior written consent of Beneficiary, all sums secured by this Deed of Trust shall become immediately due and payable at the option of Beneficiary. Further, Grantor also shall pay any and all other obligations, liabilities, or debts which may become liens, security interests, or encumbrances upon or charges against the Property for any repairs or improvements that are now or may hereafter be made thereon, and shall not, without Beneficiary's prior written consent, permit any lien, security interest, encumbrance, or charge of any kind to accrue and remain outstanding against the Property or any part thereof, or any improvements thereon, irrespective of whether such lien, security interest, encumbrance, or charge is junior to the lien of this Deed of Trust. Notwithstanding the foregoing, if any personal property by way of additions, replacements, or substitutions is hereafter purchased and installed, affixed, or placed by Grantor on the Property under a security agreement the lien or title of which is superior to the lien created by this Deed of Trust, all the right, title, and interest of Grantor in and to any deposits or payments made thereon by Grantor, shall nevertheless be and are hereby assigned to Beneficiary and are covered by the lien of this Deed of Trust.

[Signature page follows]


UNOFFICIAL DOCUMENT

**ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY,
EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF A
DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

IN WITNESS WHEREOF, Grantor has executed this Deed of Trust as of the date
first above written.

"GRANTOR"

SEAFARER'S, LLP,
a Washington limited liability partnership

By: 
Name: Ronald Woolworth
Its: Partner

By: 
Name: Lisa Stranderg
Its: Partner

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that RONALD WOOLWORTH is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument and acknowledged it as the Partner of SEAFARER'S, LLP, a Washington limited liability partnership, to be the free and voluntary act and deed of such limited liability partnership for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed this 23rd day of April, 2018.

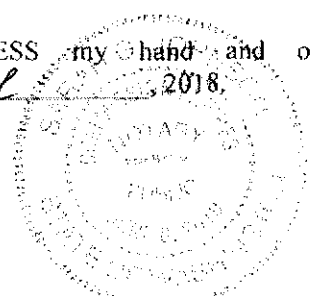


Sarah G. Johnson
(Print Name) SARAH G JOHNSON
Notary Public in and for the State of Washington.
My Appointment Expires: 6-8-19

STATE OF WASHINGTON)
) ss.
COUNTY OF Skagit)

I certify that I know or have satisfactory evidence that LISA STRANDBERG is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute this instrument and acknowledged it as the Partner of SEAFARER'S, LLP, a Washington limited liability partnership, to be the free and voluntary act and deed of such limited liability partnership for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed this 23rd day of April, 2018.



Sarah G. Johnson
(Print Name) SARAH G JOHNSON
Notary Public in and for the State of Washington.
My Appointment Expires: 6-8-19

EXHIBIT A

LEGAL DESCRIPTION

Lot 2D of that certain Boundary Line Adjustment Survey recorded June 6, 2003, under Auditor's File No. 200306060195, records of Skagit County, Washington, being a revision of Lots 2A, 2B, 2C and 2D, SEAFARER'S VIEW, as recorded under Auditor's File No. 200112030101, records of Skagit County, Washington, being in portions of Government Lots 1 and 2, Section 19, Township 35 North, Range 2 East of the Willamette Meridian, and of Plate No. 10 Tide and Shore Lands of Section 19, Township 35 North, Range 2 East of the Willamette Meridian, Anacortes Harbor, according to the official map thereof on file with the State Land Commissioner at Olympia, Washington.

Situated in Skagit County, Washington.